

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, D. C.

ORDER NO. 2067

IN THE MATTER OF:

Served December 6, 1979

Investigation of INTERSTATE TAXI-)
CAB RATES for Service within the)
Metropolitan District)

Case No. MP-79-33

By Order No. 2039, served September 26, 1979, and incorporated by reference herein, the Commission, on its own motion, instituted an investigation of the interstate rates prescribed for taxicabs licensed and regulated by the District of Columbia. The purpose of this investigation is to determine whether taxicab rate changes in other local jurisdictions -- necessitated by increasing costs in rendering taxicab service, particularly the cost of gasoline -- support and justify changes in the interstate rates applicable to District of Columbia taxicabs.

In Order No. 2039, the Commission staff proposed that the charge for the first half-mile or part thereof be increased from \$.80 to \$1.10. No other changes were recommended by the staff. The Commission directed that notice be published in a newspaper of general circulation in the Metropolitan District and this was done on September 30, 1979. Both the order and the newspaper notice invited interested persons to file written proposals, views, or statements on or before October 26, 1979.

On October 29, 1979, Mr. Jack B. Dembo, president of the Independent Cab Drivers Association (ICDA), submitted a letter proposing a \$1 a mile rate with an additional-passenger charge of \$1 a person applicable only to members of the same family. ICDA also wants to charge separate fares for passengers traveling together but to different

destinations, and imposition of a snow emergency 1/ rule and a rush-hour surcharge 2/ is requested. It is also suggested that taxicabs be permitted to charge 1-1/2 times the regular fare when transporting persons to a jurisdiction that prohibits the picking up of return fares. 3/ No supporting data were submitted with Mr. Dembo's letter.

On October 30, 1979, a letter was filed by Mr. Irving Schlaifer, Chairman of the Emergency Taxicab Committee (ETC). The ETC recommends rates of \$1 for the first mile, \$.50 for each additional half-mile, \$.75 for each additional passenger in a pre-formed group, \$.65 as a surcharge from 4:00 p.m. to 6:30 p.m., Monday through Friday and \$.30 for each minute of waiting time.

ETC points out that D. C. PSC regulations permit a child five years of age or younger to travel free when accompanied by a fare-paying passenger. No such exemption pertains to interstate trips. ETC prefers free rides for children under six years and a standard extra-passenger charge of \$.75. Imposition of a rush-hour surcharge is said to be necessary to compensate for the delays (and, presumably, lower earnings) attendant to rush-hour traffic. Mr. Schlaifer notes that D. C. cabs do not have a time and mileage charge, as do the metered cabs, and contends that a rush-hour surcharge is required for D. C. cab drivers to achieve parity with their suburban counterparts.

ETC also seeks permission to charge \$.30 a minute or the mileage fare, whichever is greater. Assertedly, this would assure fair compensation to a driver who is beset by heavy traffic or inclement weather conditions. The \$.30 a minute rate, it is said, should also replace the \$9 an hour rate approved by D. C. PSC on October 7, 1979.

The Commission takes official notice of Order No. 7039, issued October 7, 1979, by the D. C. PSC in Formal Case No. 705. Therein zone rates for taxicab transportation within the District of Columbia were increased as were certain ancillary and miscellaneous charges. The zone rates, of course, are inapplicable to interstate taxicab transportation and are omitted from Table I which shows the other increases adopted in Order No. 7039.

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- 1/ During snow emergencies, the District of Columbia Public Service Commission allows taxicabs to charge individual fares for all intra-Washington, D. C., trips even if the passengers constitute a pre-formed group.
 - 2/ The D. C. PSC has prescribed a \$.65 surcharge during the hours of 4:00 p.m. through 6:30 p.m. on Monday through Friday (holidays excepted).
 - 3/ Only Prince George's County, Md., has such a prohibition.

TABLE I

Miscellaneous Charges Approved For D. C. Taxicabs

<u>Service</u>	<u>Old Charge</u>	<u>New Charge</u>
Transporting additional passengers	\$.60 each	\$.75 each
Hand baggage (excess over one/passenger)	.10 each	.15 each
Trunks	1.00 each	1.25 each
Personal service	.50	.65
Response to a telephone call	.50	.65
Dismissal after phone call without use	.50	.65
Afternoon surcharge	.50	.65
Waiting time (except for stop en route)	.50/5 min. <u>4/</u>	.75/5 min.
Stops en route	.25	.30
Hourly rate: 1st hour	7.00	9.00
each additional 1/4 hour	1.75	2.25

Tables setting forth the milage rates for the local jurisdictions were included in Order No. 2039 and need not be reproduced herein. Suffice it to say that the average first mile rate for interstate taxicab service was \$1.50 while the first mile rate established for D. C. taxicabs is \$1.20.

In the table below, existing interstate taxicab rates have been converted to single-passenger fares for trips of 5, 10, and 15 miles. In addition, they are arranged in order of magnitude, and the fares resulting from the rates proposed by the staff, ICDA and ETC have been included:

TABLE II

	<u>5 Miles</u>	<u>10 Miles</u>	<u>15 Miles</u>
ETC (proposed)	\$ 5.00	\$ 10.00	\$ 15.00
ICDA (proposed)	5.00	10.00	15.00
Montgomery	5.10	9.60	14.10
Alexandria	4.80	8.80	12.80
Arlington	4.80	8.80	12.80
Staff (proposed)	4.70	8.70	12.70
Prince George's	4.70	8.70	12.70
D. C. (existing)	4.40	8.40	12.40
Fairfax-Falls Church	4.20	7.70	11.20

The fares proposed by ETC and ICDA are higher (except for trips in Montgomery County which do not exceed 5-5/9 miles) than any currently in effect in the area, and the Commission concludes that the desired comparability cannot be achieved with either of these rates. Moreover,

4/ After the first 5 minutes.

the rates proposed by ETC and ICDA ignore the costs attendant to pickup and discharge of passengers which are traditionally compensated by means of a "first drop" premium rate for the first mileage increment. Averaging the remaining fares yields 5, 10, and 15 mile fares of \$4.69, \$8.69 and \$12.69, respectively, odd sums which, for practical purposes, we would never impose on drivers and passengers. Rounding these fares produces results identical to those achieved by the rate structure proposed by the staff. Inasmuch as no justification has been shown for any other change in the mileage rate structure, the proposal of the staff is found to be just and reasonable and shall be adopted by the Commission.

Turning next to the extra passenger rate, Table III shows the intra-jurisdictional rates permitted by the local jurisdictions.

TABLE III

Alexandria	\$.75	(except children under 6)
Arlington	.60	(except children under 12)
D. C.	.75	(except children under 6)
Fairfax-Falls Church	.60	(except children under 12)
Montgomery	.50	(except children under 5) ^{5/}
Prince George's	.50	(except children under 6) ^{6/}

The standard interstate rate prescribed by this Commission is \$.60 a passenger with no age-related differential or exception. What the intervenors have suggested is essentially a reallocation of this fee which would tend to promote greater use of taxicab service by families. In our view, imposition of a \$.75 extra passenger charge with an exception for children under six years of age would also promote the uniformity between interstate and intrajurisdictional rates which has been a goal of this Commission since its assumption of jurisdiction over interstate rates in 1961. This proceeding, however, is limited to rates for taxicabs licensed and regulated by the District of Columbia, and it would be most inappropriate to consider in that context a uniform increase for taxicabs regulated by other jurisdictions. Accordingly, this matter will be considered in Case No. MP-79- 35, which the Commission is instituting by an order served simultaneously herewith.

The Commission, in this proceeding, will adopt (with two exceptions) the other miscellaneous charges approved by the D. C. PSC. Such action is in keeping with our goals of maintaining comparability and minimizing confusion for the users of taxicab service.

5/ Montgomery county also has a reduced rate for senior citizens.

6/ Prince George's permits a \$1 per extra passenger charge for intrastate transportation extending beyond Prince George's County.

We will not impose an afternoon rush-hour surcharge. Although it may be true that many interstate trips performed during that time span involve some section of the District of Columbia, with attendant traffic problems, the Commission cannot ignore the fact that interstate trips typically generate greater fares than are realized for intra-D. C. trips. The rush-hour surcharge, which is really an incentive for D. C. taxicabs to operate during peak traffic hours, would be counter productive and over-compensatory if added to other interstate rates, inasmuch as drivers would be likely to give undue preference to interstate fares at the expense of intra-D. C. passengers for whose benefit the surcharge was initially instituted. The same comments apply generally to snow emergency fares which we also decline to impose.

Finally, we note an inherent discrepancy for interstate purposes between the "waiting time" and "stops en route" charges approved by the D. C. PSC. See Table I, *supra*. By deleting the first 5 minutes of free waiting time (see Footnote 4) it is now lawful for a taxicab driver to charge waiting time from time of arrival. For example, a taxicab arrives at a passenger's home in response to a telephone call. The passenger, who is looking out the window, then dons his overcoat, collects his briefcase and walks to the cab, thus occupying perhaps 90 seconds. As we read the new D. C. rates, a waiting charge of \$.75 would thus be incurred before the passenger even entered the taxicab. This Commission will retain its policy of permitting 5 minutes of so-called free waiting time at the beginning of such a trip. 7/ With respect to stops en route, interstate rates compensate for deviation from the shortest route by being based solely on mileage rather than zones. Where no deviation is involved, a charge may be made for waiting time. Hence, we find no need for imposition of a "stop en route" rate.

In Order No. 1982, last adjusting these rates, the Commission restated its philosophy of taxicab ratemaking.

The Commission has never believed it should lead the way in setting taxicab rates. Each of the local rate setting jurisdictions is especially familiar with the requirements of both the users and providers of taxicab service in the local market. Each carefully establishes its rates through appropriate proceedings. Where practicable, the Commission simply adopts these local rates as the interstate rates. This practice has been followed since our Order No. 67, served October 9, 1961. [Footnote omitted.]

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7/ In fact, this is one of the costs which justify a greater charge for the first mileage increment over subsequent increments.

We further believe that the essential element in our determination of the appropriate rate structure should be comparability with prevailing local rates. We believe that revenues and expenses are given adequate consideration at the local level by authorities more acutely in tune with sub-regional conditions and requirements. From a regulatory point of view, an effort should be made to neither unduly restrain nor enhance the rate scheme which the local jurisdiction has determined to be appropriate. In addition, the Compact requires the establishment of fares which are just, reasonable, and not unduly preferential or unduly discriminatory either between riders or sections of the Metropolitan District. Therefore, we shall prescribe interstate rates for District of Columbia taxicabs on a mileage basis in an effort to establish fares which will be comparable to the local and interstate fare[s] resulting from rates prescribed by the local jurisdictions.

Based upon the foregoing considerations, we find that the current interstate taxicab rates for taxicabs licensed and regulated by the District of Columbia are neither appropriate nor comparable to such rates for taxicab service in other local jurisdictions. We further find that the rates set forth in the Appendix to this order are just, reasonable, appropriate and comparable, and such rates are hereby promulgated to be effective on the date specified below. Further consideration of extra passenger rates will be deferred to a separate proceeding.

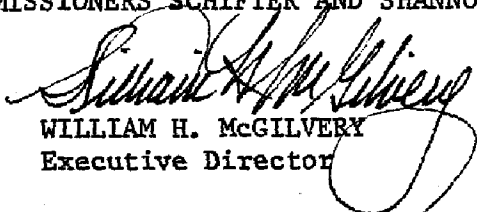
THEREFORE, IT IS ORDERED:

1. That the investigation instituted by Order No. 2039, served September 26, 1979, is hereby concluded.

2. That the rates for interstate taxicab transportation between points within the Metropolitan District for taxicabs licensed and regulated by the District of Columbia are hereby prescribed as set forth in the Appendix to this order.

3. That the effective date of the rates prescribed herein shall become effective 4 A.M., Monday, December 31, 1979.

BY DIRECTION OF THE COMMISSION, COMMISSIONERS SCHIFTER AND SHANNON:


WILLIAM H. MCGILVERY
Executive Director

INTERSTATE TAXICAB RATES
FOR TAXICAB SERVICE WITHIN THE
WASHINGTON METROPOLITAN AREA TRANSIT DISTRICT
(in taxicabs licensed and regulated by the
District of Columbia Public Service Commission)

\$1.10 First 1/2 mile, or part thereof
.40 Each additional 1/2 mile, or part thereof
.60 Each additional passenger

Hand baggage, including large bags of groceries or articles of similar size, in excess of one piece per passenger shall be charged for at the rate of 15¢ for each such piece. Briefcases and parcels of comparable size shall not be considered as hand baggage.

Trunks or similar large articles shall be charged for at the rate of \$1.25 each. A trunk is herein described as a piece of baggage having a minimum dimension or cubic content in excess of 32 inches by 18 inches by 9 inches or 3 cubic feet.

The charge for personal service shall be 65¢; taxicab service in response to a telephone call, 65¢ in addition to all other authorized charges; dismissal of a taxicab without using it after response to a telephone call, 65¢ in addition to the charge for responding; waiting time, */ 75¢ for each 5 minutes or fraction thereof.

The charge for a taxicab employed on an hourly basis shall be as follows:
For the first hour or fraction thereof -- \$9;
For each additional 15 minutes or fraction thereof -- \$2.25.

There shall be no additional charge for service during traffic rush hours or snow emergency periods.

*/ Waiting time shall include time consumed while taxicab is waiting and available to the passenger beginning 5 minutes after the time of arrival at the place to which it has been called. No charge shall be made for premature response to a call.